>

Title: Need to fix the price of iron ore and other minerals on ad-valorem basis for the State of Orissa.

SHRI B. MAHTAB (CUTTACK): Of all the major minerals, it is only coal, chromite and bauxite that enjoy ad-valorem basis of royalty and all other minerals including iron ore continue to be subject to subject to specific rates of royalty regimes. On account of this, States like Orissa, a leading iron ore producer of the country, is losing hundreds of crore of rupees as mining royalty. It is only the mine owners and traders who are garnering all the benefits from these finite resources. Therefore, it is of critical importance that the Union Government should effect necessary amendments and bring in ad-valorem linked royalty regime in respect of all the other minerals also.

The existing system of compilation and publication of sales price by IBM which forms the basis of calculation of ad-valorem leaves much to be desired. The issue, therefore, needs to be addressed suitably. A delay of more than two years in case of last change effected in respect of coal has deprived Orissa of substantive sums of legitimate revenues. The revision that was due after 15th August, 2005 was notified only on 1st August, 2007. Though the 11th Finance Commission had recommended that in case the process of revision is not completed by the date the new revision is due, the State should be entitled to compensation. But no steps have been taken so far in this regard.

It is indeed an irony that instead of revising the royalty, the Government has levied an export duty on minerals which accrues to the Union Government of India. It is but fair and rational for the Government to share the revenue that accrues to it from the export duty levied on chrome and iron ores entirely with the States of origin.

MR. DEPUTY-SPEAKER: Shri Ramesh Rathod – not present.

MR. DEPUTY-SPEAKER: The House will now take up item no. 15.